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Bridgepoint Education, Inc.

11 UNITED STATES DISTRICT COURT
12 SOUTHERN DISTRICT OF CALIFORNIA
13

14 BRIDGEPOINT EDUCATION, INC.,

15 Plaintiff,

16 v.

17 PROFESSIONAL CAREER
DEVELOPMENT INSTITUTE, LLC, and
18 DOES 1-10, inclusive,

19 Defendants.

CASE NO. 07 CV 2222 IEG (BLM)

**BRIDGEPOINT EDUCATION, INC.'S
REPLY TO PROFESSIONAL CAREER
DEVELOPMENT INSTITUTE, LLC'S
COUNTERCLAIM**

Complaint Filed: November 20, 2007
Trial Date: None set.

21 PROFESSIONAL CAREER
DEVELOPMENT INSTITUTE, LLC,

22 Counterclaimant,

23 v.
24

25 BRIDGEPOINT EDUCATION, INC.,

26 Counterdefendant.
27
28

1 Plaintiff and Counterdefendant Bridgepoint Education Inc. (“Counterdefendant” or
2 “Bridgepoint”) hereby responds to Defendant and Counterclaimant’s, Professional Career
3 Development Institute, LLC (“Counterclaimant” or “PCDI”) Counterclaim, and asserts affirmative
4 defenses, as follows:

5 **REPLY TO COUNTERCLAIM**

6
7 **INTRODUCTION**

8 1. Bridgepoint admits that the Patent and Trademark Office records appear to
9 show that the mark “ASHWORTH COLLEGE” was registered on the Supplemental Register to
10 PCDI on July 30, 2002. Bridgepoint is without knowledge or information sufficient to form a
11 belief as to the remaining allegations of paragraph 1 of the Counterclaim, and on that basis denies
12 them.

13 2. Bridgepoint denies that it first used the mark “ASHFORD COLLEGE” in
14 March 2005, denies that Bridgepoint’s service mark registration on the *Principal Register* lists its
15 mark as “ASHFORD COLLEGE” or that “its” mark, “ASHFORD COLLEGE,” was registered on
16 March 20, 2007. Bridgepoint admits that it “made no claim to the exclusive right to use
17 ‘University’ apart from ‘ASHFORD’” on its service mark registration on the *Principal Register*
18 for its mark “ASHFORD UNIVERSITY.” Bridgepoint admits that the Patent and Trademark
19 Office records appear to show that in the service mark registration for the mark “ASHWORTH
20 COLLEGE” on the *Supplemental Register*, PCDI made no claim to the exclusive right to use
21 “College” apart from “ASHWORTH.” Bridgepoint denies the remaining allegations of paragraph
22 2 of the Counterclaim.

23 3. Bridgepoint denies the allegations of Paragraph 3 of the Counterclaim.
24

25 **GENERAL COUNTERCLAIM ALLEGATIONS**

26 4. Bridgepoint denies the allegations of Paragraph 4 of the Counterclaim to the
27 extent it is claiming that PCDI’s trademark “ASHWORTH COLLEGE” is registered on the
28 *Principal Register*. Bridgepoint admits that pursuant to Exhibit A to PCDI’s Counterclaim, the

1 trademark “ASHWORTH COLLEGE,” having registration number 2,603,090 appears to have
2 been registered on the *Supplemental Register* to PCDI on July 30, 2002. Bridgepoint is without
3 knowledge or information sufficient to form a belief as to the remaining allegations of paragraph 4
4 of the Counterclaim, and on that basis denies them.

5 5. Bridgepoint is without knowledge or information sufficient to form a belief
6 as to the allegations of paragraph 5 of the Counterclaim, and on that basis denies them.

7 6. Bridgepoint admits that Ashford University offers learning programs for
8 individuals to receive degrees in business administration (associate degree), criminal justice and
9 master’s in accounting. Bridgepoint denies that it offers courses in high school diploma subjects,
10 paralegal, gunsmithing or medical transcription. Bridgepoint is without knowledge or information
11 sufficient to form a belief as to the remaining allegations of paragraph 6 of the Counterclaim, and
12 on that basis denies them.

13 7. Bridgepoint is without knowledge or information sufficient to form a belief
14 as to the allegations of paragraph 7 of the Counterclaim, and on that basis denies them.

15 8. Bridgepoint is without knowledge or information sufficient to form a belief
16 as to the allegations of paragraph 8 of the Counterclaim, and on that basis denies them.

17 9. Bridgepoint denies that its “distance learning-related goods and services in
18 interstate commerce, including within and without California and including this judicial district,
19 though websites, and other means of advertising, including those with domain names are
20 confusingly similar to” its own trademark. Bridgepoint further denies that it has a trademark
21 “ASHWORTH UNIVERSITY.”

22 10. Bridgepoint admits that substantial similarity exists in sight and sound
23 between Bridgepoint’s *federally registered trademark* “ASHFORD UNIVERSITY” and related
24 domain names and PCDI’s name “ASHWORTH UNIVERSITY.” Bridgepoint denies that PCDI’s
25 name, “ASHWORTH UNIVERSITY,” is a registered mark. Bridgepoint also denies that the “use
26 in commerce of the Ashford University name, domain names and service mark and trademark
27 constitute infringement of Defendant’s registered trademark, ASHWORTH COLLEGE.”
28 Bridgepoint also denies that the “use in commerce of the Ashford University name, domain names

1 and service mark ... is likely ... to cause confusion, deception and/or mistake” with Defendant’s
2 registered trademark, ASHWORTH COLLEGE. Bridgepoint is without knowledge or
3 information sufficient to form a belief as to whether the “use in commerce of the Ashford
4 University name, domain names and service mark ... has caused actual confusion, deception
5 and/or mistake” with Defendant’s registered trademark, ASHWORTH COLLEGE, and on that
6 basis denies them. Bridgepoint also admits that both “ASHFORD UNIVERSITY” and
7 “ASHWORTH UNIVERSITY” begin with “Ash” and contain “or” in text and sound. Bridgepoint
8 further admits that the small differences between the letters in “ASHWORTH UNIVERSITY” and
9 those in Bridgepoint’s registered mark of “ASHFORD UNIVERSITY” and related domain names
10 do not significantly change the sound of the names when pronounced. Bridgepoint denies the
11 remaining allegations of Paragraph 10 of the Counterclaim.

12 11. Bridgepoint admits that PCDI’s name, “ASHWORTH UNIVERSITY,” is
13 strikingly similar in an aesthetic sense to Bridgepoint’s federally registered trademark,
14 “ASHFORD UNIVERSITY.” Bridgepoint denies that PCDI’s name, “ASHWORTH
15 UNIVERSITY,” is a registered mark. Bridgepoint admits that “ASHFORD UNIVERSITY” is
16 being used to brand and market goods and services in the U.S. Classes 100, 101 and 107.
17 Bridgepoint also admits that the Patent and Trademark Office records appears to show that the
18 mark “ASHWORTH COLLEGE” was registered on the *Supplemental Register* to PCDI for the
19 service mark classes of 100, 101 and 107. Bridgepoint is without knowledge or information
20 sufficient to form a belief as to whether Defendant’s name “ASHWORTH UNIVERSITY” is
21 “being used to brand and market goods and services in the exact USPTO service mark classes 100,
22 101 and 107,” and on that basis denies it. Bridgepoint denies the remaining allegations of
23 Paragraph 11 of the Counterclaim.

24 12. Bridgepoint admits that its goods and services are offered throughout the
25 United States. Bridgepoint further admits that it uses the Internet and various other media
26 channels to market and promote some of its goods and services to the same potential customers for
27 PCDI’s “ASHWORTH UNIVERSITY.” Bridgepoint is without knowledge or information
28 sufficient to form a belief as to the remaining allegations of paragraph 12 of the Counterclaim, and

1 on that basis denies them.

2 13. Bridgepoint denies the allegations of Paragraph 13 of the Counterclaim.

3 14. Bridgepoint neither admits nor denies the averments contained in Paragraph
4 14 of the Counterclaim because those averments are conclusions of law to which no response is
5 required. To the extent those averments may be deemed averments of fact, Bridgepoint denies
6 that it purportedly has constructive notice of PCDI's "ASHWORTH COLLEGE" mark by virtue
7 of its publication and registration on the Supplemental Register. Furthermore, Bridgepoint denies
8 that PCDI's name, "ASHWORTH UNIVERSITY" is registered on either the Principal Register or
9 Supplemental Register. Bridgepoint is without knowledge or information sufficient to form a
10 belief as to the remaining allegations of paragraph 14 of the Counterclaim, and on that basis denies
11 them.

12 15. Bridgepoint denies the allegations of Paragraph 15 of the Counterclaim.

13
14 **FIRST CLAIM FOR RELIEF**

15 **(Federal Trademark Infringement Against Plaintiff (15 U.S.C. § 1114 et seq.))**

16 16. Bridgepoint refers to and incorporates its responses set forth above to each
17 and every allegation in Paragraphs 1-15 as if fully set forth herein.

18 17. Bridgepoint denies the allegations of Paragraph 17 of the Counterclaim.

19 18. Bridgepoint denies the allegations of Paragraph 18 of the Counterclaim.

20 19. Bridgepoint denies the allegations of Paragraph 19 of the Counterclaim.

21 20. Bridgepoint denies the allegations of Paragraph 20 of the Counterclaim.

22
23 **SECOND CLAIM FOR RELIEF**

24 **(Unfair Competition and False Designation of Origin (15 U.S.C. § 1125))**

25 21. Bridgepoint refers to and incorporates its responses set forth above to each
26 and every allegation in Paragraphs 1-16 as if fully set forth herein.

27 22. Bridgepoint neither admits nor denies the averments contained in Paragraph
28 22 of the Counterclaim because those averments are conclusions of law to which no response is

1 required. To the extent those averments may be deemed averments of fact, Bridgepoint denies the
2 allegations of Paragraph 22 of the Counterclaim.

3 23. Bridgepoint denies the allegations of Paragraph 23 of the Counterclaim.

4 24. Bridgepoint denies the allegations of Paragraph 24 of the Counterclaim.

5 25. Bridgepoint denies the allegations of Paragraph 25 of the Counterclaim.

6 26. Bridgepoint denies the allegations of Paragraph 26 of the Counterclaim.

7 27. Bridgepoint neither admits nor denies the averments contained in Paragraph
8 27 of the Counterclaim because those averments are conclusions of law to which no response is
9 required. To the extent those averments may be deemed averments of fact, Bridgepoint denies the
10 allegations of Paragraph 27 of the Counterclaim.

11
12 **THIRD CLAIM FOR RELIEF**

13 **(Unfair Competition and False Designation of Origin (California Business & Professions**

14 **Code §§ 17200 and 17500))**

15 28. Bridgepoint refers to and incorporates its responses set forth above to each
16 and every allegation in Paragraphs 1-27 as if fully set forth herein.

17 29. Bridgepoint neither admits nor denies the averments contained in Paragraph
18 29 of the Counterclaim because those averments are conclusions of law to which no response is
19 required. To the extent those averments may be deemed averments of fact, Bridgepoint denies the
20 allegations of Paragraph 29 of the Counterclaim.

21 30. Bridgepoint denies the allegations of Paragraph 30 of the Counterclaim.

22 31. Bridgepoint denies the allegations of Paragraph 31 of the Counterclaim.

23 32. Bridgepoint neither admits nor denies the averments contained in Paragraph
24 32 of the Counterclaim because those averments are conclusions of law to which no response is
25 required. To the extent those averments may be deemed averments of fact, Bridgepoint denies the
26 allegations of Paragraph 32 of the Counterclaim.

27 ///

FOURTH CLAIM FOR RELIEF

(Cancellation of Service Mark Registration No. 3,220,625 (15 U.S.C. § 1119))

33. Bridgepoint refers to and incorporates its responses set forth above to each and every allegation in Paragraphs 1-32 as if fully set forth herein.

34. Bridgepoint neither admits nor denies the averments contained in Paragraph 34 of the Counterclaim because those averments are conclusions of law to which no response is required.

35. Bridgepoint is without knowledge or information sufficient to form a belief as to the allegations of paragraph 35 of the Counterclaim, and on that basis denies them.

36. Bridgepoint admits that its stated first use in commerce on its Principal Register application for “ASHFORD UNIVERSITY” is March 2005. Bridgepoint denies the remaining allegations of Paragraph 36 of the Counterclaim.

37. Bridgepoint denies the allegations of Paragraph 37 of the Counterclaim to the extent it is referring to Defendant’s “ASHWORTH COLLEGE” mark.

38. Bridgepoint neither admits nor denies the averments contained in Paragraph 38 of the Counterclaim because those averments are conclusions of law to which no response is required. To the extent those averments may be deemed averments of fact, Bridgepoint denies the allegations of Paragraph 38 of the Counterclaim.

PRAYER FOR RELIEF

Bridgepoint denies that PCDI is entitled to any of the relief sought in Paragraphs (1) through (16) of PCDI’s Prayer For Relief.

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1 **BRIDGEPOINT'S AFFIRMATIVE DEFENSES**

2 AND FOR AFFIRMATIVE DEFENSES TO THE COUNTERCLAIM, AND
3 EACH PURPORTED CLAIM THEREIN, THE COUNTERDEFENDANT ALLEGES AS
4 FOLLOWS:

5
6 **FIRST AFFIRMATIVE DEFENSE**

7 (Failure to State Claim)

8 The Counterclaim and/or each claim contained therein fails to state facts sufficient
9 to constitute a claim against the Counterdefendant.

10
11 **SECOND AFFIRMATIVE DEFENSE**

12 (Estoppel)

13 The Counterclaim and each and every purported cause of action set forth therein is
14 barred by the doctrine of estoppel.

15
16 **THIRD AFFIRMATIVE DEFENSE**

17 (Waiver)

18 As to each and every claim purporting to sound in equity, Counterclaimant's
19 Counterclaim is barred by the doctrine of waiver.

20
21 **FOURTH AFFIRMATIVE DEFENSE**

22 (Laches)

23 As to each and every claim purporting to sound in equity, Counterclaimant's
24 Counterclaim is barred by laches.

25
26 **FIFTH AFFIRMATIVE DEFENSE**

27 (Exclusive Right to Use)

28 Counterdefendant has a valid and properly issued registration for the trademark

1 “ASHFORD UNIVERSITY” (Registration No. 3,220,625). Pursuant to 15 U.S.C. §§ 1057 and
2 1115, Counterdefendant has the exclusive right to use that registered mark in commerce on the
3 goods and services specified in the registration certificate. Counterclaimant’s counterclaims
4 interfere that right.

5
6 SIXTH AFFIRMATIVE DEFENSE

7 (Acquiescence)

8 The Counterclaim and each and every purported cause of action set forth therein is
9 barred by the doctrine of acquiescence.

10
11 SEVENTH AFFIRMATIVE DEFENSE

12 (Unclean Hands)

13 As to each and every claim purporting to sound in equity, Counterclaimant’s
14 Counterclaim is barred by the doctrine of unclean hands.

15
16 EIGHTH AFFIRMATIVE DEFENSE

17 (Lack of Intent)

18 Counterdefendant at all times believed its conduct to be fair and lawful, and was
19 therefore without any specific intent to engage in the alleged infringement.

20
21 NINTH AFFIRMATIVE DEFENSE

22 (Failure to Mitigate Damages)

23 Counterclaimant’s claims for relief are barred, or should be reduced, due to
24 Counterclaimant’s failure to mitigate its purported damages.

25
26 TENTH AFFIRMATIVE DEFENSE

27 (Justification)

28 Counterclaimant’s claims for relief are barred by the doctrine of justification.

1 ELEVENTH AFFIRMATIVE DEFENSE

2 (Trademark Misuse)

3 Counterclaimant's claims for relief are barred by the doctrine of trademark misuse.

4
5 TWELFTH AFFIRMATIVE DEFENSE

6 (No Attorneys' Fees)

7 Counterclaimant is not entitled to attorneys fees because Counterclaimant cannot
8 prove that Counterdefendant willfully infringed Counterclaimants' lawfully-issued marks.

9
10 THIRTEENTH AFFIRMATIVE DEFENSE

11 (No Punitive Damages)

12 Counterclaimant has failed to, and cannot, state facts sufficient to warrant punitive
13 damages and Counterclaimant's prayer for punitive damages is unconstitutional because it violates
14 the Due Process Clause of the Fourteenth Amendment to the Constitution of the United States
15 and/or Section 7 of Article I of the Constitution of the State of California and the Excessive Fines
16 Clause of the Eighth Amendment to the Constitution of the United States and/or Section 17 of
17 Article I of the Constitution of the State of California.

18
19 FOURTEENTH AFFIRMATIVE DEFENSE

20 (No Damages)

21 Counterclaimant has not suffered any damages as a result of any actions taken by
22 Counterdefendant or its agents, and Counterclaimant is thus barred from asserting any cause of
23 action against Counterdefendant.

24
25 FIFTEENTH AFFIRMATIVE DEFENSE

26 (Adequate Remedy At Law)

27 Counterclaimant's request for injunctive relief must be denied because a legal
28 remedy would be adequate.

1
2 SIXTEENTH AFFIRMATIVE DEFENSE

3 (Reservation of Right to Supplement with Additional Defenses)

4 Counterdefendant presently has insufficient knowledge or information upon which
5 to form a belief as to whether it may have additional, as yet unstated, affirmative defenses
6 available. Counterdefendant reserves the right to assert additional affirmative defenses as may
7 become available during discovery in this action.

8
9 PRAYER

10 WHEREFORE, Counterdefendant Bridgepoint Education Inc. prays as follows:

- 11 1. That the Counterclaim be dismissed with prejudice, and that
12 Counterclaimant take nothing thereby;
- 13 2. That Counterdefendant be found to have not infringed on any trademark of
14 Counterclaimant;
- 15 3. That Counterdefendant be found not liable for false designation of origin
16 and not liable for unfair and unlawful competition and business practices in violation of the federal
17 Lanham Act, 15 U.S.C. § 1125 et seq.;
- 18 4. That Counterdefendant be found not liable for false designation of origin
19 and not liable for unfair and unlawful competition and business practices in violation of the
20 California Business and Professions Code;
- 21 5. That Counterdefendant's Service Mark Registration No. 3,220,625 be found
22 valid and duly and lawfully issued and not subject to cancellation;
- 23 6. That judgment be rendered in favor of Counterdefendant Bridgepoint
24 Education Inc.;
- 25 7. That the Court deny any requested injunctive relief;
- 26 8. That Counterdefendant Bridgepoint Education Inc. be awarded its costs of
27 suit incurred in defense of this action, including reasonable attorneys' fees; and
- 28 9. For such other and further relief in Counterdefendant Bridgepoint Education

1 Inc.'s favor as the Court deems proper.
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4 DATED: February 4, 2008

5 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
6

7 By s/Jon E. Maki

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